



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0071	Title:	Repeal sunset of hospital bed tax
Primary Sponsor:	Sands, Diane	Status:	As Introduced

- | | | |
|--|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input checked="" type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
State Special Revenue	\$22,011,707	\$22,460,950	\$23,283,550	\$23,516,350
Federal Special Revenue	\$45,695,789	\$45,726,512	\$47,251,288	\$47,723,729
Revenue:				
State Special Revenue	\$22,011,707	\$22,460,950	\$23,283,550	\$23,516,350
Federal Special Revenue	\$45,695,789	\$45,726,512	\$47,251,288	\$47,723,729
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: This proposal repeals the sunset provision and provides that each hospital in the State of Montana must pay a utilization fee for each inpatient bed day.

FISCAL ANALYSIS

Assumptions:

1. This bill continues the bed day fee that was originally implemented by the 58th Legislature in HB 481, continued by the 59th Legislature with SB 120, and continued by the 60th Legislature with SB 118.
2. HB 71 provides that each hospital in the State of Montana must pay a utilization fee in the amount of \$48.00 for each inpatient bed day between January 1, 2009 and December 31, 2009, and \$50.00 for each inpatient bed day beginning January 1, 2010.
3. The revenue collected from the utilization fee must be deposited in a state special revenue fund for the purpose of funding increases in Medicaid payments to hospitals as provided in 53-6-149, MCA.

4. The fee revenue will be used to match federal medical assistance payments and will then be redistributed to the hospitals.
5. Revenue from inpatient bed days are estimated as follows:

Fiscal Year	Estimated Bed Days	Fee Per Bed Day	Estimated Revenue
FY 2010	224,609	48	\$10,781,232
FY 2010	224,610	50	\$11,230,475
FY 2011	449,219	50	\$22,460,950
FY 2012	465,671	50	\$23,283,550
FY 2013	470,327	50	\$23,516,350

6. These state special revenue funds will generate matching federal funds, based on Federal Medical Assistance Percentages (FMAP), in the following amounts:

Fiscal Year	State %	State Share	Federal %	Federal Share	Total Funds
FY 2010	32.51%	\$22,011,707	67.49%	\$45,695,789	\$67,707,496
FY 2011	32.94%	\$22,460,950	67.03%	\$45,726,512	\$68,187,462
FY 2012	33.01%	\$23,283,550	66.99%	\$47,251,288	\$70,534,838
FY 2013	33.01%	\$23,516,350	66.99%	\$47,723,729	\$71,240,079

7. Under this proposal, the Department of Revenue is responsible for administering the reporting and collection of the utilization fee as outlined in 15-66-201, MCA. This will require the Department of Revenue to incur the costs. These costs will be minimal due to the limited number of taxpayers in Montana.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Benefits	\$67,707,496	\$68,125,417	\$70,620,412	\$71,326,509
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$22,011,707	\$22,460,950	\$23,283,550	\$23,516,350
Federal Special Revenue (03)	\$45,695,789	\$45,726,512	\$47,251,288	\$47,723,729
TOTAL Funding of Exp.	\$67,707,496	\$68,187,462	\$70,534,838	\$71,240,079
<u>Revenues:</u>				
State Special Revenue (02)	\$22,011,707	\$22,460,950	\$23,283,550	\$23,516,350
Federal Special Revenue (03)	\$45,695,789	\$45,726,512	\$47,251,288	\$47,723,729
TOTAL Revenues	\$67,707,496	\$68,187,462	\$70,534,838	\$71,240,079
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Technical Notes:

1. Note the dollar amounts included in this fiscal note are higher than the incremental amounts in the decision package (PL11039) in the Governor's budget; however, the total amounts in the fiscal note and the Governor's budget are the same.
2. Hospital utilization fee will be re-assessed in February to align with Medicaid caseload and adjusted based on current information for inpatient bed days. This may cause the fiscal implications of this bill to change slightly.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date